GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1490
ANSWERED ON:03.05.2016
Dues of FCI
Udhayakumar Shri M.

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether due to mismatch between the operational expenses of Food Corporation of India (FCI) and the food subsidy allocations, the dues to FCI are estimated to soar to nearly Rs. 90,000 crores by March, 2017, if so, the details thereof;
(b) whether due to delayed and inadequate release of subsidy by the Government, FCI had to raise Rs. 25,000 crores as short-term loans, during the last three financial years if so, the details thereof; and
(c) whether the operational expenses under the Public Distribution System have risen sharply due to increase in MSP and storage charges for rice and wheat, if so, the details thereof and the corrective steps proposed in this regard?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)
(a) & (b): The outstanding arrear of food subsidy in case of the Food Corporation of India (FCI) as on 31.03.2016 was about Rs. 61,000 crore. In the Financial Year 2016-17 against a demand of about Rs. 1,29,000 crore for food subsidy for FCI, a budget allocation of about Rs. 1,03,300 crore has been made, which undergoes revision at Revised Estimates and/or Supplementary Grant stage.
Generally, there is no delay in release of subsidy to FCI by Government of India. However, due to short provision of subsidy in budget, FCI had raised Short Term Loan to meet its working capital requirement. The STL raised during last three years is as under:

Financial Year	STL raised (Rs. in Crore)
2013-14	35,150
2014-15	59,415
2015-16	70,820

(c): There is no direct impact of increase in Minimum Support Price (MSP) of foodgrains on operational expenses like freight, handling, interest and administrative overheads. Operational expenses on account of Storage Charges payable by FCI to Central Warehousing Corporation (CWC), has not risen sharply as the Storage Charges are revised periodically by Government of India. The latest rate of Storage Charges is Rs. 3.38 per bag of 50 kg. per month (2012-13).
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